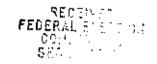


FFDERAL ELECTION COMMISSION

WASHINGTON DIC 20202



Jun 5 2 on PH '00

AGENDA ITEM

For Meeting of: 6-08-00

SUBMITTED LATE

MEMORANDUM FOR THE COMMISSION SECRETARY

FROM:

COMMISSIONER DAVID MASON

SUBJECT:

ALTERNATIVE DRAFT -

MANDATORY ELECTRONIC FILING FINAL RULES

DATE:

JUNE 5, 2000

I request that the attached document be considered at the June 8, 2000 Open Session.

Delete page 19, line 19 through page 20, line 7 and insert the following in its place:

New paragraph (a)(3)(i) contains a combination of the "comparable year" and the "previous year" tests proposed in the NPRM. While the Commission understands the commenter's concern with the "previous year" test, the Commission believes that the administrative inconvenience of going from electronic to paper filing for filers fluctuating above and below the threshold in election and non-election years, respectively, will be overly burdensome on the filers, as well as on the Commission. Therefore, the Commission is combining the two tests proposed in the NPRM to require that once a committee or other person actually exceeds the threshold, that committee or other person has reason to expect to exceed the threshold in the following two calendar years. For example, if a committee exceeds the threshold in May of 2001, it must file its mid-year and year end reports electronically. Furthermore, under new paragraph (a)(3)(i), such a committee has reason to expect to exceed the threshold in 2002 and 2003, and must electronically file its reports for those years.

The commenter also noted that the third alternative proffered in the NPRM, the "calendar quarter" test, would require a committee to extrapolate annual estimates based on first quarter or first half year receipts. The Commission understands the commenter's objection with regard to the "calendar quarter" test, however, the Commission concluded that this test will provide a limited means by which filers without any historical data would have reason to expect to exceed the threshold, thus requiring them to file electronically before they actually meet the threshold, more rapidly disclosing their

financial activity. Therefore, the "calendar quarter" test is being added to the final rules as a test only for those filers who have no historical data.

2. Delete page 30, line 13 through page 31, line 2 and insert the following in its place:

- (3) <u>Definition of Have Reason to Expect to Have.</u>
 - (i) A political committee or other person shall have reason to expect to exceed the threshold stated in paragraph (a)(1) of this section for two calendar years following the calendar year in which the political committee or other person exceeds the threshold.
 - (ii) New political committees or other persons with no history of campaign finance activity shall have reason to expect to exceed the threshold stated in paragraph (a)(1) of this section within the calendar year if—
 - (A) It receives contributions or makes expenditures that exceed one quarter of the threshold amount in the first calendar quarter of the calendar year; or
 - (B) It receives contributions or makes expenditures that exceed one-half of the threshold amount in the first half of the calendar year.